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22 NOV 1982

MEMORANDUM FOR: Chief, Policy and Plans Group

FROM:

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Deputy Chief, Physical Security Division

SUBJECT: OS Industrial Security Program

1. The most significant action taken by the DCI in the aftermath of was to initiate the following major changes in CIA industrial security policy and practice:

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a. Two-Person Rule quoting the security manual - (Standard Security Procedures for Contractors), is a "requirement" that the contractor have at least two properly approved and briefed persons present within any Customer-related contractor-operated communications center and, when designated by the Customer, within a registry-type facility or any other area so designated, when those facilities are either being opened, occupied, or being closed.

To the extent practicable, personnel shall be rotated so that the same two individuals are not scheduled for coverage on a continuing basis.

With respect to contractor couriers, the two-person rule also applies to the movement of TOP SECRET classified materials, and when designated by the Customer, to SECRET and CONFIDENTIAL materials.

b. Polygraph key industrial personnel evolved to:

- Multiple SCI access
- CI only (no lifestyle)
- Currently all major contractors participate in IPP.

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2. Some of the most significant task force recommendations approved by the DCI were:

a. To give the Director of Security clear responsibility for the overall coordination of the entire industrial security effort of the Agency.



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c. Augment the Security Staffs of both the Agency and NP to improve enforcement of stringent security standards and to mount an industrial ACM program.

d. Audit the procurement security practices within Agency components as well as conduct security audits of contractor facilities.

3. Industrial Security Branch

ISB was established in August 1977 and charged with direct oversight (for the Director of Security) of Agency industrial security policy implementation.

It has as its mission:

a. The development of uniform industrial security policies, standards, and procedures for the protection of classified industrial contractual arrangements entered into by Agency contracting officers using Agency funds, and by contracting officers of the National Program.

b. The conduct of periodic comprehensive security audits of Agency contracting facilities (including that portion of the National Program under the cognizance of the Deputy Director for Science and Technology) to ensure compliance with Agency industrial security policy, standards, and procedures.

c. To develop a training course for ISO's and provide seminars and conferences for our counterparts in industry. To date [redacted] management has actively participated in all three seminars and conferences held at Headquarters for corporate security personnel as well as two computer security training courses provided for contractors.

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The backbone of the effort has been, and continues to be, the industrial security audit. To date, ISB has conducted 263 such inspections and plans to continue at the rate of 20 per quarter. [redacted] have been audited in May/June 1977, April/May 1979, and April 1982.

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4. Security manuals have been revised and updated as follows:

a. Standard Security Procedures for Contractors (SSPC), dated May 1979.

b. NFIB/NFIC Physical Security Standards for SCI Facilities, dated April 1981.

c. BYEMAN Industrial Security Manual (BISM), dated August 1982.

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